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James P. Rouhandeh

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September 3, 2015

Re: *NCUA v. Morgan Stanley & Co.*, No. 13-cv-6705 (S.D.N.Y.)
 NCUA v. Morgan Stanley & Co., No. 13-cv-2418 (D. Kan.)

The Honorable Denise L. Cote
United States District Court for the Southern District of New York
Daniel Patrick Moynihan U.S. Courthouse
500 Pearl Street
New York, NY 10007

The Honorable George H. Wu
United States District Court for the Central District of California
312 North Spring Street
Los Angeles, CA 90012-4701

The Honorable John W. Lungstrum
The Honorable James P. O'Hara
United States District Court for the District of Kansas
500 State Avenue, Suite 517
Kansas City, KS 66101

Dear Judges Cote, Wu, Lungstrum, and O'Hara:

I write on behalf of Defendants Morgan Stanley & Co., Inc. (n/k/a Morgan Stanley & Co. LLC) and Morgan Stanley Capital I Inc. (collectively, "Morgan Stanley") pursuant to the Courts' July 30, 2015 Order, and in response to the National Credit Union Administration Board's ("NCUA") letter of September 3, 2015. Morgan Stanley and NCUA have conferred and are generally in agreement with regard to trial scheduling for the Morgan Stanley SDNY and Kansas actions, subject to the below.

Regarding the SDNY action, Morgan Stanley does not object to the Courts' proposed trial schedule as it relates to Morgan Stanley, although reserves the right to seek an adjournment of the trial date if the appeal in *FDIC v. First Horizon Asset Sec., Inc.*, No. 14-3648 (2d Cir.) is still pending before trial, because an affirmance in that case would obviate the need for a trial by rendering all of NCUA's claims against Morgan Stanley in the SDNY action time-barred. NCUA acknowledges and does not object to this reservation of rights, subject to its own reservation of rights.

Regarding the Kansas action, Morgan Stanley does not object to NCUA's proposal as it relates to Morgan Stanley, except joins in other Defendants' requests for a Tranche 1 start date in mid or late January 2017, instead of January 9, 2017.

As to both the SDNY and Kansas actions, Morgan Stanley takes no position regarding NCUA's proposal for notification of the Tranche 2 defendants, or any other matters not relevant to the Morgan Stanley actions.

Very truly yours,

/s/ James P. Rouhandeh

James P. Rouhandeh

cc: Counsel of Record (via ECF)

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